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Research Statement

In 2013 President Barack Obama identified rising economic inequality—the growing gap between the rich and the poor—as one of the largest challenges facing organizations and society in the 21st century. Despite this concern, policies aimed at mitigating growing economic inequality struggle for widespread support. My research seeks to understand *why*. Why do people tolerate inequality that harms them? Why do some organizations maintain large pay disparities even though this can have deleterious effects on their workers? I subsequently leverage these insights to create interventions that foster egalitarian behaviors, emotions, and cognitions across public and private organizations.

My research identifies the key role that organizations play in understanding economic inequality. Not only can they create, maintain, and reduce economic inequality, but they are also uniquely susceptible to many of the negative consequences that arise when economic inequality approaches unproductive levels. Understanding the organizational and psychological factors that legitimize damaging levels of inequality is thus essential for organizations to tackle the pressing downstream consequences such as higher health care costs, higher employee turnover, as well as unhappier and less productive workers. In my work unravelling when inequality ceases to be productive and how to combat it when it does, I take seriously the robustness of my theory and rigor of my methods by adopting a multi-method (e.g., archival data, organizational field data, dyadic experiments, field experiments, and longitudinal methods) analytically diverse (e.g., natural language processing, multilevel modeling, item response theory), and open approach (e.g., publicly shared materials, methods, data, and code).

I subsequently outline two main lines of research exploring how we understand and react to economic inequality. In particular, my research has (i) uncovered various psychological mechanisms (e.g., income mobility, attributions for poverty) that legitimize inequality, and (ii) tested how, when, and what interventions (e.g., perspective taking, cross-social class contact) can promote egalitarian behavior and mitigate the negative consequences of economic inequality. Finally, I discuss current and future directions in outlining a comprehensive theoretical and methodological framework to understand ideological beliefs about economic inequality.

I. Psychological mechanisms that legitimize economic inequality

System Justification Theory posits that humans have a deep-seated psychological need to see the world as fair and just, which can manifest as ideological support for the political and economic status quo. Thus, one possible reason why concern for economic inequality has remained relatively stagnant despite a sharp increase in various inequalities is a core belief that inequality is the result of a fair and just system. In my research, I investigate this core belief in order to understand what psychological processes do, and do not, contribute to tolerance for economic inequality.

Income Mobility. The cultural script of "The American Dream" proclaims that anyone can experience income mobility and rise from rags to riches if they work hard enough. At the core of this dream is the idea that disparities between the rich and the poor are tolerable precisely because people have the opportunity to move between economic stations, suggesting that

inequality fair and just. However, research shows that upward income mobility is less prevalent than many believe; is the dream of upward income mobility partially responsible for legitimizing economic inequality? Specifically, what are the consequences of perceiving high upward mobility and how do these consequences change as a function of the level of inequality and actual upward mobility?

On one hand, my research reveals that a belief in upward mobility can legitimize high economic inequality at both a national and global scale (Shariff, Wiwad, & Aknin, 2016, *Perspectives on Psychological Science*). I first explored this with cross-national data, nationally representative samples, and lab experiments. Utilizing multilevel modeling to examine International Social Survey Programme data from over 40,000 respondents around the globe, I found that people were more tolerant of economic inequality in countries with higher income mobility. In order to rule out alternative explanations (e.g., cultural differences), I brought this question into the lab. I recruited a nationally representative sample of 521 American adults and randomly assigned them to read a news article depicting income mobility in the United States as either high or low. Consistent with my theorizing, participants who were led to believe that income mobility was high (versus low) expressed greater tolerance for economic inequality. As predicted, I found that this relationship was driven by a strengthening in the belief that unequal economic outcomes are primarily fair and earned. Together, these findings suggest that support for high economic inequality is at least partially rooted in a strong cultural adherence to the American Dream.

On the other hand, in subsequent research I have found that perceived upward mobility can have positive consequences under the right circumstances. Organizational strategy often relies on at least some degree of pay disparity as a constructive tool that can motivate individuals to work harder to attain higher status. I explored whether the perception, and existence, of upward income mobility is a key factor in realizing these potential benefits in pay disparity (Wiwad, Jachimowicz, & Davidai, *Manuscript In Prep*). I first tested this using a unique dataset of 17,643 individuals across 2,549 working groups obtained from a large financial services company. I found that higher pay disparity only resulted in improved job performance ratings if actual upward mobility, and perceived upward mobility in a subsequent replication, was higher within an individual's working group. Thus, under the right circumstances inequality can motivate individuals but can also come at a cost—tolerance for high levels of inequality.

Across five additional experiments (n = 5,234), I have found consistent causal evidence that the prospect of upward mobility can dampen the negative effects of within-organization pay disparity. For instance, in one experiment I framed an 80:1 pay ratio as either high or low and participants read (versus did not read) that the CEO experienced upward mobility within the organization. When inequality is high and there is potential for upward mobility the average worker demonstrated lower belief that success at the organization is zero-sum as well as higher reported quality of workplace relationships and job satisfaction. There is, however, an upper limit to the palliative effect of upward mobility; when participants saw a 200:1 pay ratio framed as high (versus low), upward mobility no longer produced the same positive organizational outcomes. This research identifies a previously unqualified condition for pay inequality to be motivating—the potential to rise up the ladder—but also demonstrates that there is an upper bound beyond which upward mobility ceases to unlock the potential benefits of pay disparity.

Beliefs about Poverty. The above work demonstrates that optimistic beliefs about organizational and societal processes—one's ability to move up the social ladder— can

legitimize inequality under certain conditions. But what about psychological processes surrounding beliefs about people who inhabit the lowest rungs of this social ladder? Classic research on the correspondence bias demonstrates that people in North America tend to default to explaining outcomes (e.g., poverty) to internal (e.g., laziness or lack of willpower) as opposed to external factors (e.g., discrimination or unequal opportunity). In my dissertation work, I explored whether individual psychological processes—judgments about why the poor are poor—serve as another pernicious belief that legitimizes damaging levels of economic inequality (Piff* & Wiwad*, Robinson, Aknin, Mercier, & Shariff, 2020, *Nature Human Behavior*; Wiwad, Mercier, Piff, Shariff, & Aknin, *Under Review at Journal of Experimental Social Psychology*; Wiwad & Stephens, *In Prep*).

To explore how beliefs about poverty may legitimize inequality I used a mixture of cross-national archival data, laboratory experiments, and large nationally representative samples. Utilizing World Values Survey data from 34 countries and over 34,000 respondents, I found that there was lower tolerance for economic inequality in countries that more strongly recognized the societal barriers to escaping poverty (versus a belief that the poor are poor because they are lazy; Piff* & Wiwad* et al., 2020, *Nature Human Behavior*). I replicated these findings in a large (n = 632) sample of American adults nationally representative on age, income, geographic location, and political ideology. In order to rule out alternative explanations, I experimentally tested whether increased recognition of the situational causes of poverty lowered tolerance for inequality in the lab. I randomly assigned participants to write either (a) about the poor generally, or (b) the undeserving poor. When participants were prompted to briefly write about the situational causes of poverty they were more egalitarian, choosing to donate more of a windfall endowment to a charity whose mission is to fight poverty and reduce economic inequality. These findings offered initial evidence that beliefs about poverty, specifically the recognition of exogenous barriers to escaping poverty, are associated with tolerance for economic inequality and egalitarianism both globally and within the United States.

Throughout this year, the Coronavirus pandemic has served as a highly visible exogenous cause of poverty and inequality due to significant media coverage of this trend. This provided a rare opportunity to test my theory, in a naturally occurring context, that increased awareness of external causes of poverty can reduce tolerance for inequality. I utilized a longitudinal survey spanning one year to test this pre-registered prediction (Wiwad, Mercier, Piff, Shariff, & Aknin, *Under Review at Journal of Experimental Social Psychology*). Using a series of latent growth curve models, I found that people who were more aware that the Coronavirus pandemic unduly impacted the poor displayed greater increases in situational attributions for poverty and opposition to inequality over the course of one year. This attitude change in turn predicted a higher willingness to help the poor. While the Coronavirus pandemic will likely continue to exacerbate already record-setting inequalities, it may also mobilize organizations and individuals who recognize this to help society's most economically vulnerable.

My research thus far finds two psychological mechanisms, beliefs about the ability to climb the social ladder and the nature of poverty, that legitimize damaging levels of economic inequality at levels ranging from organizationally to globally. Critically, this work also suggests that these beliefs are malleable and thus offer promising routes to developing interventions that can increase concern about economic inequality and lead to more equitable economic outcomes.

II. Interventions to increase concern about inequality and foster egalitarianism

My research has uncovered that beliefs about the poor as well as upward mobility play a role in legitimizing economic inequality. In my second line of research, I test whether various interventions effectively raise concern about economic inequality to foster a more equitable society. Thus far, I have used poverty simulations, dyadic laboratory experiments, and longitudinal methods to test whether shifting attributions for poverty is a viable route to tackling rising economic inequality inside and outside the lab.

Perspective taking. Extending upon the idea that people are less tolerant of economic inequality when they recognize the systemic causes (e.g., educational and labor market barriers) of poverty, I explored whether a "low-touch" intervention that simulates the daily struggles of poverty could result in meaningful and long lasting attitude change (Piff* & Wiwad* et al., 2020, *Nature Human Behavior*). In one such experiment I randomly assigned participants to either engage in a short, but impactful, poverty simulation called SPENT (available HERE) versus a no-game control condition. In this poverty simulation, players make a series of daily financial decisions as if they are living in poverty. I found that participants who played SPENT were not only more cognizant of the systemic barriers that sustain poverty but, as a result, expressed greater concern for economic inequality and support for redistribution. Crucially, this difference persisted outside of the lab both one day post-intervention as well as *five months later*. These findings are consistent with evidence that macro-level institutional factors (e.g., attending multi-year college programs that facilitate living in poverty-stricken areas) can shape concerns about the poor and economic inequality. However, these interventions typically entail widescale and costly institutional coordination. My work demonstrates that low-touch interventions highlighting the salience of situational causes of poverty can promote action aimed at attenuating high levels of inequality.

Cross-class contact. Intergroup contact theory consistently demonstrates that cross-group contact can effectively reduce prejudice. I have applied and expanded this theory to explore how cross-social class contact can influence willingness to help the poor in two dyadic laboratory experiments (n = 398). I found that engaging in an ostensible cross-class interaction (with a confederate) demonstrated a reduction in the belief that the poor are lazy and in turn were more egalitarian, giving more to their low socioeconomic status partner in a one-shot anonymous dictator game. I have since begun utilizing real instances of cross-social class contact to explore what underlies attitude and behavior change in this context (Wiwad & Stephens, *In Prep*). We have begun recruiting pairs of middle- and working-class individuals to have 25-minute online conversations. In this work I am building on intergroup contact theory by collecting and analyzing a rich source of data not typically analyzed—the conversations themselves.

In utilizing raw conversational data, I am beginning to uncover the linguistic markers that predict reduced prejudice towards the working class, greater recognition of societal barriers to education and opportunity, and increase concern about rising economic inequality. Using natural language processing analyses and economic games, I have found initial evidence that syntactic matching, question asking, and emotional valence in cross-social class interactions may result in reduced prejudice towards the poor, stronger recognition of social barriers that cause various (e.g., education) inequalities, as well as increased cooperation in a public goods game. This research lays the groundwork for my future work designing useful cross-social class contact interventions that can amplify the effective, and downplay the ineffective, linguistic features of productive attitude and behavior change.

III. Looking forward

A comprehensive theory of tolerance for economic inequality. I aim to build a comprehensive understanding of the psychological mechanisms that facilitate deleterious levels of economic inequality and, in doing so, identify and test interventions to address this. So far, I have found that beliefs about poverty and upward mobility consistently legitimize inequality in both global and organizational contexts. In continuing this work I intend to explore additional factors that may make high levels of inequality tolerable, such as the abstractness (e.g., biased algorithms), geographic proximity (e.g., inequality between versus within countries/organizations), and visibility (e.g., social class differences in quality (more visible) versus quantity (less visible) of consumption). Common across this line of research is my desire to uncover when inequalities cease to be productive and what can be done to mitigate them when they do. This, in turn, informs my continued development of interventions aimed at reducing the myriad negative effects of inequality.

What does it mean to address economic inequality? There is considerable debate among pundits, organizations, and economists regarding how individuals determine what level of inequality is acceptable, and how to address it when it becomes unacceptable. Utilitarians seek to maximize the overall size of the economic pie, egalitarians seek to reduce the gaps between the haves and have nots, and "maximin" seekers aim solely to help those at the bottom. In some of my recent work I have built a novel methodological typology that identifies an additional perspective—the desire to shelter those at the top—and comprehensively and simultaneously explores the interactions between these motives (Wiwad & Kteily, *Manuscript In Prep*). With this methodology I have created a theoretical and empirical lens through which I explore the delicate balance, and boundary conditions, between these sometimes-conflicting motives in various intergroup contexts. Initial work (n = 2,887) exploring this complex system of interconnected motives reveals that Democrats and Republicans share a primary concern: helping those at the bottom. However, Democrats are secondarily more concerned with reducing inequality (with no special concern given to how the rich are affected). Republicans, on the other hand, are more concerned with protecting the wealthy (with little special concern given to decreasing or increasing inequality). I intend to build upon this improved understanding to explore how to better target interventions. For example, my theorizing from this work suggests that among Democrats emphasizing increased welfare of the poor in conjunction with decreased inequality will most effectively foster attitude and behavior change. Among Republicans, however, the most effective interventions might instead emphasize how a policy improves the welfare of the poor without adversely affecting the rich.

Conclusion

Economic inequality has been rising for nearly five decades and has begun to reach unprecedented levels that negatively impact both organizations and society more broadly. In this statement I have outlined my cumulative research agenda that seeks to create a comprehensive understanding of the psychology of economic inequality. My research utilizes traditional survey and experimental methods, as well as cutting-edge methodological and statistical techniques, in order to achieve this goal. With this research I aim to benefit organizations and society broadly by (i) building a comprehensive theoretical understanding of when and why we come to believe that high degrees of inequality are acceptable and (ii) informing and creating interventions that legitimize and foster equitable, as opposed to unequal, economic outcomes.